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FROM U.S. MISSION IN ROME

USAID FOR A/NATSIOS, AA/DCHA WINTER, D/DCHA/FFP LANDIS  
STATE FOR A/S IO HOLMES, A/S PRM DEWEY, IO/EDA RBERHEND AND  
SKOTOK  
USDA/FAS FOR MCHAMBLISS AND BGAINOR  
NSC FOR JDWORKEN  
USMISSION GENEVA FOR USAID NKYLOH  
USEU BRUSSELS FOR USAID/PLERNER

E.O. 12958: N/A

TAGS: EAID EAGR AORC PREF NL FAQ UN

SUBJECT: WFP's evolving partnership with U.S. Private Voluntary Organizations (PVOs) and International non-governmental organizations (NGOs) of U.S. origin

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Summary  
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¶1. WFP has provided an update on its evolving partnership with U.S. Private Voluntary Organizations (PVOs) and International non-governmental organizations (NGOs) of U.S. origin. Since the Baltimore meeting of December 3, 2002 between WFP Executive Director Jim Morris and U.S. PVOs (members of the Food Aid Coalition), considerable progress has been made. In 2002, of WFP's food volume (3.4 million tons) moved worldwide, WFP's five major US PVO partners moved more than 1.3 million tons (38 percent). Moreover, the 43 U.S. PVOs currently working with WFP represent approximately 25 percent of WFP's international partners. Representatives of US PVOs with a global Memorandum of Understanding (MOU) with WFP, regularly participate in WFP's annual consultation with NGOs as well as in ad hoc consultations, workshops or other technical meetings organized by WFP Rome. Further, more frequent dialogue with WFP Rome, mainly with the NGO Unit of the Division of External Relations, and WFP Washington is taking place throughout the year. US Mission is excited by the progress towards a "deeper relationship" between WFP and its U.S. partners, including our "faith-based" organizations. End summary.

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Background  
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¶2. WFP currently collaborates with about 1200 NGOs, more than 1000 local NGOs and nearly 200 international NGO partners. US PVOs or international PVOs of US origin are the largest group of international partners. The 43 US PVOs currently working with WFP represent 25 percent of WFP's international partners.

¶3. In 2002, of WFP's food volume (3.4 million tons) moved worldwide, WFP's five major US PVO partners moved more than 1.3 million tons (38 percent). The major US PVO partners of WFP are: Adventist Development and Relief Agency (ADRA), CARE, Catholic Relief Services (CRS), World Vision, and Save the Children US. WFP signed global Memorandum of Understanding on Collaborative Working Arrangements with all of them in the mid nineties. At country level, standard agreements with 43 PVOs are presently operational on a project-by-project basis.

¶4. The highest concentration of collaboration over recent years has been in East and Central Africa as well as Asia (in Afghanistan, WFP collaborates with 17 U.S. PVOs). The most intense relationship has primarily been in execution of Emergency Operations (EMOPs) or Protracted Relief and Recovery (PRRO) Operations, as recently experienced in Southern Africa. WFP increasingly collaborates with NGOs at the project planning stage as well as throughout project implementation.

¶5. Representatives of US PVOs with a global MOU with WFP, regularly participate in WFP's annual consultation with NGOs as well as in ad hoc consultations, workshops or other technical meetings organized by WFP Rome. Further, more frequent dialogue with WFP Rome, mainly with the NGO Unit of the Division of External Relations, and WFP Washington is taking place throughout the year. It is noted in particular that World Vision and WFP have been in serious and sustained dialogue to move toward the "next generation" of WFP-NGO MOU.

¶6. In addition, WFP relates to three US PVO

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Aid Management (USAID-supported) and InterAction. All of WFP's major U.S. PVO partners are members of the three entities. The Food Aid Coalition, mainly, an advocacy network of 15 U.S. PVOs in the area of food aid, met with WFP Executive Director Jim Morris twice over the past year (in December 2002 in Baltimore and in April 2003 in Kansas City).

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"The Baltimore Declaration: Africa in crisis"  
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17. Following the meeting in Baltimore, WFP and the members of the Food Aid Coalition launched a coordinated global campaign to assist more than 34 million people at risk of starvation in Africa. The leaders unveiled "The Baltimore Declaration: Africa in Crisis," a unified pledge of the non-governmental organizations and WFP to act in an effort to prevent famine from taking hold in parts of southern, eastern and western Africa. The Declaration also appealed to "governments, citizens' groups, private voluntary organizations, religious institutions and individual citizens to recognize the enormity of the crisis confronting Africa and to join in a massive and urgent response."

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The "thorny" issue of cost recovery  
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18. In many emergency operations, WFP asks its NGO partners to move the food assistance from a regional or zonal level (extended delivery point) to the village or refugee camp (the final distribution level) and be responsible for the distribution to the designated beneficiary. Costs are invariably incurred by the NGO in carrying out this task. The PVOs asked that better guidance be provided at field level with regard to payment of PVOs. After extensive consultations, a new standard field level agreement is in the process of finalization.

19. A key element (still in draft discussion) will be prompt and up-front payment by WFP to the NGO for a substantive percentage of their anticipated internal transport, shipping and handling costs. Specifically, the following is proposed:  
a) WFP commitment to settle NGO invoices within 45-90 days, and if there are queries, pay 75 percent and settle the balance as soon as an explanation is received; b) WFP agreement to pay 3 months or 30 percent advance against an estimated support budget of an NGO; c) WFP commitment to release funds faster than before and to allow NGO advances to be treated and processed in the same way as advances against WFP operations; d) agreement to cover NGO costs in case of pipeline breakdowns, and a system of giving notice of termination when resources fail to materialize and/or when changes in the operation require earlier termination; and e) schedules for NGO budget submissions to WFP that show time-bound (fixed) and tonnage-bound (variable) costs, allowing a better projection of NGO costs and more equitable recovery (from the WFP) system. Note. Once these draft-revised guidelines are finalized (hopefully in time for the next WFP-NGO consultation scheduled for December 10-12), they will be reported septel. End note.

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Comment  
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10. US Mission is excited by the positive movement towards a "deeper relationship" between WFP and its U.S. partners, including our "faith-based" organizations. As WFP's lead in this dialogue, Deputy Executive Director Sheila Sisulu has brought both dynamism and vision to a potentially big "win-4

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win" situation. On the U.S.-side, World Vision, CARE and Save the Children US are equally keen to make this "truer partnership" work. And as it succeeds, it will be the hungry poor around the world who will benefit the most. Hall

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